



PRELIMINARY EXAMINATION
GRADE 12 – ACCOUNTING PAPER 2 – SESSION 2
30 JULY 2025

EXAMINER: MS S. MEYER

**MODERATORS: MS C. LOVELL
MS N. MATAKALATSA**

ACCOUNTING: PAPER 2

Time: 2 hours

100 marks

INFORMATION BOOKLET

NAME:

QUESTION 1 RECONCILIATION ; AGE ANALYSIS 32 MARKS; 40 MIN**This question consists of 2 independent sections, A and B.****SECTION A AGE ANALYSIS 20 MARKS**

The following information relates to **Tennis Traders** for the year ended 31 March 2025.

- The balance of the Debtors Control account was R 60 646 on 1 April 2024 and R 94 470 on 31 March 2025.
- Company policy allows debtors 30 days credit.
- Sales and collections for the year ended 31 March 2025:
 - Total sales for the year: R 1 020 000
 - Cash to credit sales ratio is 30:70
- Debtors Age Analysis on 31 March 2025:

Debtor	Credit limit	Total due R	Current R	30 days R	60 days R	90 days R
J. Paolini	12 000	11 250	11 250			
M. Keys	22 000	23 250	9 000	3 000	1 500	9 750
R. Federer	12 000	6 825			3 825	3 000
E. Ruse	20 000	8 700	6 900	1 800		
S. Halep	22 000	25 950	12 900	13 050		
R. Nadal	12 000	12 375	5 625	4 125	2 625	
		75 450	45 675	21 975	7 950	12 750

- Debtor R. Nadal's account as it appears in the Debtors Ledger of Tennis Traders for the period 1 January – 31 March 2025:

Date	Details	Fol	Debit	Credit	Balance
Jan 1	Balance	b/d			6 000
28	Invoice 487	DJ	2 625		8 625
31	Receipt 284	CRJ		2 250	6 375
Feb 2	Invoice 535	DJ	4 875		11 250
Mar 1	Credit Note 254	DAJ		375	10 875
4	Invoice 629	DJ	6 000		16 875
6	Receipt 380	CRJ		4 500	12 375

SECTION B**RECONCILIATIONS****12 MARKS**

Racing World buys goods on credit from F1 Suppliers.

INFORMATION**A. Creditors' Ledger Racing World**

F1 SUPPLIERS						
				DEBIT	CREDIT	BALANCE
2025	1	Balance	b/d			405 000
July	10	Invoice 802			486 000	
		EFT		202 500		
	17	Debit Note 41		51 840		
		Invoice 903			248 700	
		Invoice 815			150 000	
	21	Invoice 870			301 500	
	24	Debit Note 995			48 600	
	27	Journal Voucher 570		32 400		
	31	Payment and discount		463 140		889 920

B. Statement of account from F1 Suppliers

F1 SUPPLIERS						
Racing World			25 July 2025			
Track Road						
Kyalami						
			DEBIT	CREDIT	BALANCE	
2022	1	Balance			405 000	
July	10	Invoice 802	486 000			
		Receipt 695		202 500		
	17	Credit Note 741		41 040		
		Invoice 815	150 000			
	21	Invoice 870	121 500			
	24	Credit Note 750		48 600	870 360	

C. Differences noted:

- (a) The incorrect entry for Debit Note 41 in the Creditor's Ledger Account of F1 Suppliers relates to the correct Credit Note 741 on the statement.
- (b) Invoice 903 was incorrectly reflected in the account of F1 Suppliers in the Creditors' Ledger. The goods were purchased from Max Suppliers.
- (c) Invoice 870 was incorrectly recorded on the statement from F1 Suppliers.
- (d) F1 Suppliers also purchased goods on credit from Racing World. Racing World has transferred a debit balance from the Debtors' Ledger (Journal Voucher 570). F1 Suppliers will offset this on the next statement.
- (e) The transaction on 24 July 2025 is for merchandise returned to F1 Suppliers.
- (f) The statement reflects transactions up to 25 July 2025.

QUESTION 2**BUDGETS****20 MARKS; 30 MIN**

Tigers Soccer Shop supplies soccer equipment to schools and other retailers.

A. Cash Budget for June and July 2025:

	June 2025 R	July 2025 R
CASH RECEIPTS		
Cash sales	300 000	309 000
Cash from debtors	A	?
Sale of old vehicle		B
Loans	400 000	100 000
TOTAL RECEIPTS		
CASH PAYMENTS		
Payments to creditors	C	?
Vehicle deposit/repayments	D	E
Salaries		?
Advertising	33 000	F
Sundry expenses	183 250	186 250
TOTAL PAYMENTS		
CASH SURPLUS (SHORTFALL)	41 000	49 566
BANK (Closing balance)	G	?

B. Additional information:

- The business uses a mark-up of 60% on cost and maintains a fixed level of inventory.
- 30% of all sales are for **cash** and the debtors' collection period of the business is as follows:
 - 35% collection in the month following the sale and are given a discount.
 - 50% collection in the second month after the sale.
 - 10% collection in the third month after the sale.
 - The balance is expected to be irrecoverable and is written off at the end of the third month after the sale.
- The bad debts at the end of July 2025 are expected to be R34 250.
- The company will be selling an old vehicle in July 2025 that had a carrying value of R27 000 for a profit of R4 250.
- All inventories are purchased on credit and paid for in the month following the purchase to qualify for an 8% discount. Nothing else is purchased on credit.
- The company will be purchasing a new ISUZU X-Rider vehicle in June 2025 and the purchasing manager has agreed to the following terms:
 - 3% trade discount of R19 500.
 - 10% deposit paid in the month of purchase, thereafter the balance paid in equal instalments over 30 months.
- The advertising expense is paid for three months in advance.
- The business bank balance on 31 May 2025 was R8 218 in overdraft.

QUESTION 3**COMPANY ANALYSIS****48 MARKS; 50 MIN**

Information for **We Buy Cars** is supplied.

A. History

In the early 2000s, brothers Daan and Dirk van der Walt observed that, for individual consumers selling an older vehicle in the South African market, was a lengthy and difficult process. Recognising the gap in the market they established the WeBuyCars brand in 2001 to provide vehicle owners with a quick, easy and trusted solution to sell their vehicles. The Company expanded quite fast and now trades from 15 vehicle supermarkets and 74 buying pods and has more than 340 buyers nationwide.

**B. Audit Report**

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of We Buy Cars Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of We Buy Cars Holdings Limited for one year.

PricewaterhouseCoopers Inc.
Director: J Potgieter
Registered Auditor
Johannesburg, South Africa
18 November 2024

Extracted from: <https://www.webuycars.co.za/investors/integrated-reports>

C. Financial Statements

You are supplied with extracts from the Financial Statements for 2024, with comparative figures from 2023:



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED :

	2024	2023
	Rm	Rm
Retail Sales	23 319 199	20 017 955
Cost of Sales	(19 798 143)	(16 924 664)
Financing costs/ Interests	(158 030)	(158 304)
Profit before taxation	610 039	1 406 333
Taxation	(266 950)	(225 348)
Profit attributable to shareholders	343 089	820 985

STATEMENT OF CASH FLOW FOR THE YEAR ENDED :

	2024	2023
	Rm	Rm
Net cash inflow from operations	591 418	582 390
.....		
Dividends	(1 870 000)	(340 000)
Net cash outflow from investing activities	(81 237)	(35 821)
Investment in assets	(81 020)	(72 054)
Proceeds for disposal of assets	29	18 077
.....		
Net cash outflow from financing activities	(461 822)	(493 874)
Borrowings repaid	(2 190 082)	(870 177)
.....		
Borrowing raised/repaid	2 008 260	716 303
Net cash outflow	48 381	53 523



STATEMENT OF FINANCIAL POSITION FOR YEAR ENDED :

	2024	2023
	Rm	Rm
ASSETS		
Non-current assets	1 367 372	1 389 650
Property, plant and equipment	1 152 588	1 131 040
Intangible and other assets		
Current Assets	2 819 489	2 867 789
Inventories	2 465 000	2 186 891
Trade and other receivables	148 026	90 273
Cash and cash equivalents	206 463	164 162
Other	-	426 463
TOTAL ASSETS	4 186 861	4 257 444
EQUITY AND LIABILITIES		
Ordinary Shareholders Equity	2 305 397	2 320 944
.....		
Non-Current Liabilities	977 953	1 074 408
.....		
Current Liabilities	903 511	862 092
Trade and other payables	240 659	299 342
SARS – Income Tax	32 963	23 535
Other	629 889	533 535
Bank overdraft		6 080
TOTAL EQUITY AND LIABILITIES	4 186 861	4 257 444

D. Financial Indicators

	2024	2023
Current ratio	3.12:1	3.32:1
Acid-test ratio	?	0.79:1
Debt-equity ratio	?	0,46:1
Return on shareholders' equity (ROSHE)	?	35,37%
Shares in issue	417 181 120	2 071 797

E. Share price graph



F. Community involvement

Education 	• Paying school fees and bursaries for higher education • Solar geysers at care facilities • Providing machines at schools to offer free sanitary products for girls
Early Childhood Development (ECD) 	• Establishing and supporting new ECD centres
Child welfare 	• Supporting homes for abandoned babies • Providing baby safes as safe alternatives for abandoned infants • Delivering Christmas presents to children in care facilities
Community services 	• Setting up travel libraries and skills development centres • Supporting sustainable gardens to help communities become self-sufficient • Donating funds for vehicles to transport children to therapy and deliver essentials to vulnerable groups • Providing food parcels, toiletries, and back-to-school supplies
Health services 	• Supporting organisations that rejuvenate clinics • Funding therapy for the disabled or abused • Providing care for cancer patients and individuals with mental disabilities or visual impairments